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MARITIME STRATEGY MEETING

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Thursday, March 8, 2012

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Crystal Coast Civic Center

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Morehead City, North Carolina

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6:03 p.m. to 6:49 p.m.

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1 MARITIME STRATEGY MEETING

2 BY RACHEL VANDENBERG:

3 Good evening. Thank you all for joining us  
4 tonight. My name is Rachel Vandenberg. I'm a project  
5 manager for AECOM. We've been commissioned by NCDOT to  
6 conduct the Maritime Strategy.

7 The meeting tonight is the final of our three  
8 rounds of public meetings, and you are our final stop on  
9 our tour this week visiting the potential sites of port  
10 improvements up and down the coast.

11 We appreciate you taking the time tonight to come  
12 in and learn a little bit about the Maritime Strategy and  
13 the analysis that has been done to date. We look forward  
14 to hearing your comments.

15 I'm going to make a very brief presentation, and  
16 then we'll open it up to comments from the audience.  
17 Garold Smith, who you met at the sign-in table, has a set  
18 of green sheets. He'll be in in a moment. If you didn't  
19 have chance to sign up in advance, please do so when he  
20 comes, and I'm sure he'll announce it again. So we will  
21 take the comments in the order of the sign-ups.

22 But the North Carolina Maritime Strategy was  
23 commissioned by the state to identify the role that

24 North Carolina's ports play in the state economy and  
25 identify also ways that that role could be strengthened,

5

1 what investments, what strategies could be implemented  
2 that would allow the ports to be a greater contributor to  
3 jobs and economic growth in North Carolina.

4 So the Maritime Strategy scope included an  
5 evaluation of the port situation today looking at the  
6 region as a whole and the global economy to, as I said,  
7 look at the role that the state ports play in the state  
8 economy and solicit input from industry members from  
9 those users of the port, potential users of the port,  
10 North Carolina industries, and the community at large so  
11 that we could develop a menu of potential strategic  
12 alternatives for the state to consider.

13 One clear result of the analysis so far is that  
14 the state ports do play an important role in the economy.  
15 Even though there are ports available in adjacent states  
16 that are used by North Carolina shippers, the state's  
17 shippers do look to the ports to provide a valuable  
18 service, and in particular, agricultural producers within  
19 the state see the ports as a very valuable asset. Both  
20 the Morehead City port and Wilmington port are identified  
21 as strategic sea ports by the military as well.

22 Investments in maritime infrastructure have the  
23 potential to realize a whole range of benefits over time

24 to the state, and this includes investments not only at  
25 the port itself, but also in the road and rail

6

1 connections and inland facilities that support maritime  
2 trade. So we have been looking at potential benefits  
3 from the construction of those facilities from economic  
4 development that result from those facilities as well as  
5 other public benefits, like the mobility of the general  
6 public from road improvements, as well as safety  
7 enhancement or reduced maintenance on the state roadways  
8 that would be realized by providing a closer option for  
9 North Carolina shippers.

10 As you have seen on the boards outside, I hope you  
11 had an opportunity to meet and talk with the project  
12 staff. We have identified a set of target areas that we  
13 think are viable opportunities and promising  
14 opportunities for the state. The list of options that's  
15 listed are not the full range of opportunities that may  
16 be of interest to the state ports, but are highlighted  
17 because we think are tremendous growth opportunities.

18 A couple of existing uses that are important to  
19 note that are not a part of the presentation but should  
20 be supported in the future are chemicals and phosphates,  
21 which are an important use of the ports today as well as  
22 military use and other core commodities running through

23 the state ports.

24           So for each of the commodity options, each of the  
25 market opportunities, we have examined the potential for

7

1 growth, the needs of this industry based on the input we  
2 have received, as well as the specific infrastructure  
3 investments that would be required and then use that  
4 information to quantify the benefits that would be  
5 realized by the state in terms of jobs, economic  
6 opportunity, and other public benefits.

7           The first of these is grain and soybeans. This is  
8 a major element of the state economy today. Investment  
9 in a grain export facility would meet a demand for export  
10 that has been identified by North Carolina growers. This  
11 ability and capability currently does not exist in  
12 North Carolina ports.

13           In order to support this opportunity, we've also  
14 looked at landslide infrastructure in addition to the  
15 on-terminal export facility that would be required. You  
16 can see in these bar charts that we've looked at port  
17 terminal investments at the bottom in green and as well  
18 as road and rail connections.

19           For each of these, you'll see in light blue that  
20 the highway network infrastructure proposed investments  
21 really dominate and seem surprisingly large. What this  
22 does is look over the course of 30 years at what targeted

23 investments should be made to bring goods to market to  
24 North Carolina ports in the context of the state's  
25 overall transportation improvement program.

8

1           And to put this in perspective, you see just about  
2 a billion dollars just as clearly a large potential  
3 investment in highway network to support bringing grain  
4 to market in North Carolina. That would be to achieve --  
5 to reduce congestion and bring goods to market in 2040.  
6 Today's state transportation improvement program in  
7 North Carolina is about \$11 billion over seven years, so  
8 our purpose is to identify priority projects that should  
9 be integrated into that long-range highway planning  
10 effort.

11           In terms of -- oh, one thing. Can you go back  
12 real quickly?

13           To highlight just a couple of the benefits that  
14 would be realized from investments in grain, you can see  
15 that these investments would be projected to realize more  
16 than a hundred million dollars in savings to  
17 North Carolina shippers who -- and that savings could be  
18 invested in greater opportunities, greater growth within  
19 the state.

20           In terms of additional benefits, the highway  
21 investments would also realize non-freight users more

22 than \$2 billion in mobility savings. So these are  
23 important things to consider -- or for the state to  
24 consider as they evaluate options in the future.

25 So now going on to Ro/Ro and oversize. Similarly,

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1 we've looked at the opportunities for this market. This  
2 would include roll on/roll off and heavy-lift cargo,  
3 things like manufactured goods, tractors, trailers,  
4 mining equipment that are produced here in North Carolina  
5 today and could be attracted by the ability to handle  
6 these goods in the future.

7 Again, moving on to the investments, you can see  
8 the range of investments that might be required to  
9 support such a facility at either Morehead City or  
10 Wilmington.

11 Highlighting a couple of the benefits that could  
12 be realized from investment in Ro/Ro and oversize cargo  
13 are 10,000 construction jobs on a one-year basis to build  
14 the facilities that would be required, as well as 1600  
15 permanent jobs that would be generated by opportunities  
16 in the export of these types of goods.

17 We also examined wood pellets. This is an  
18 emerging market. Like grain, it requires a bulk export  
19 facility that does not currently exist in North Carolina.  
20 There's an opportunity to build upon the strength in the  
21 timber industry in North Carolina and develop an export

22 market that does not now currently exist.

23           Again, looking at the potential investments that  
24 the two sites we examined and the benefits in terms of  
25 shipper savings, logistics, benefits, and job creation,

10

1 other wood products include building upon the base that  
2 already exists in North Carolina and at the  
3 North Carolina ports. Things like lumber, wood chips,  
4 wood pulp, these are important growth areas and already a  
5 strength for the port facilities themselves.

6           The benefits and investments for these facilities  
7 would not require additional on-terminal investments.  
8 The port facilities can now handle the projected growth  
9 that we see. If we were to try to realize all of this  
10 cargo or handle it all through Morehead City, however, it  
11 would probably require a displacement of some existing  
12 commodities that are being handled here to another site.

13           Moving on to containers. The importance of  
14 containers in North Carolina is not only to import goods  
15 for consumption in the state but also to import component  
16 parts to the state's manufacturers and allow for the  
17 availability of empty containers for the export of goods  
18 that are being manufactured in the state. So for this  
19 reason, containerized goods are an important potential  
20 contributor to the North Carolina economy.

21           Among the options we looked at, containers  
22   generated a tremendous potential benefit to the state  
23   including more than a billion dollars in shipper savings  
24   that could be realized by the proposed investments, as  
25   well as approximately 3,000 permanent jobs.

11

1           We did look at several different locations for  
2   container facilities. A couple of alternatives here at  
3   Radio Island as well as three options at different water  
4   depths in Wilmington and two green field sites in  
5   Brunswick, and those are the different bars that you see  
6   there to the right.

7           Finally, as an alternative and looking at the need  
8   that was cited by the state's industry members is  
9   refrigerated cargo, and this includes the containerized  
10   goods that require temperature control. And by providing  
11   plug-ins for these refrigerated containers, which already  
12   exist at Wilmington and also by providing a cold-storage  
13   warehouse, a very modest investment, relative to some of  
14   the other options of \$24 million, there's a potential to  
15   realize more than a hundred million dollars in shipper  
16   savings to North Carolina shippers who must now take  
17   these goods to more distant ports and also a thousand  
18   permanent jobs statewide by supporting this type of  
19   industry.

20           So we have developed our initial matrix of options

21 that present the growth opportunities, the potential  
22 costs of benefits to the state. As a next step, the  
23 study team will be taking the comments that we receive at  
24 these round of meetings this week from the public, as  
25 well as input and comments we receive from the state to

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1 finalize our study next month.

2 From that study, the state will be reviewing the  
3 alternatives that are presented, incorporating the  
4 results into its long-range transportation planning, and  
5 also looking to see how the information presented -- how  
6 the opportunities presented fit into other priorities and  
7 policies within the state, and finally evaluating funding  
8 priorities to see if one or more of the options may be  
9 advanced in the future.

10 So some of you may have had the opportunity to  
11 visit our Web site. The Web address is listed here at  
12 n-c maritime study dot com. We have posted our working  
13 draft document. It really is a work in progress as shown  
14 there. If you are interested, please do go to the site  
15 and look at the draft report and other information  
16 listed.

17 You can also post comments that you may not have  
18 been able to make here to that site for us to consider in  
19 the final report. We do ask that you provide us your

20 comments by March 26 so that we can be sure to have time  
21 to review those and consider them as we finalize the  
22 information.

23 So with that, I want to initiate the public  
24 comment period, introduce Garold who will be calling out  
25 the first speaker.

13

1 BY GAROLD SMITH:

2 Good evening. As you know, we are now opening the  
3 public comment session for this evening's meeting. We  
4 did have this green sign-up sheet at the front of the  
5 room when you all came in to sign up for public comment,  
6 and if you did not have an opportunity to sign up for  
7 public comment or you would now like to do so, I'll go  
8 ahead and leave another one of these up here at this  
9 front table to provide you the opportunity to speak.

10 Normally what we'll do is we'll limit public  
11 comments to about three minutes just to be sensitive to  
12 time constraints; however, because we have four speakers  
13 signed up tonight, we're going to allow the flexibility  
14 for the speakers to go over within reason. I'm sure  
15 nobody wants to go 15 minutes, so we're looking at four  
16 or five I was told, but if it goes into six, I might have  
17 to step in so -- and you know who I'm talking to.

18 So with that, I'd like to open the public comment  
19 and call on Frank Rackley.

20           How this will work is that when you have one  
21 minute remaining, Eddie will hold up the one-minute  
22 remaining sign, and then when your time is expired, he  
23 will hold the stop sign, and if you could begin wrapping  
24 up your comments. Again, if you're close to being  
25 finished but you have a little bit more time, we'll allow

14

1   that this evening.

2           Mr. Rackley will be followed by Woody Erickson.

3 BY FRANK RACKLEY:

4           Good evening. My name is Frank Rackley, and I'm  
5 here representing Weyerhaeuser Company. I'm the  
6 North Carolina timberlands manager.

7           I appreciate the opportunity we have had to review  
8 the draft, which we've done, final report of the Maritime  
9 study, and other comments. I'd like to thank the folks  
10 that worked on this study. I'd like to commend them of  
11 the work they have done on this project. The report is a  
12 thoughtful and thorough document which sets forth many  
13 options of enhancing and improving North Carolina's  
14 economy.

15           Weyerhaeuser began operations in 1900. We've been  
16 in North Carolina since 1955. We continue to employ more  
17 than a thousand people of our state's citizens in eight  
18 locations across the state. We also own and sustain the

19 management of more than a half-million acres of timber in  
20 eastern North Carolina.

21           We very much appreciate the recognition that the  
22 draft, final report gives to the importance of forestry  
23 and agricultural exports. As noted on page 22 of the  
24 report, you see that forest products rank near the top of  
25 the highest value and the highest volume. Exports,

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1 section 5 beginning on page 59 provides, even better  
2 insight into the industry presence and projected growth.

3           With this in mind, when we commented here last, we  
4 stated that a vibrant, safe, competitive, and efficient  
5 port at Morehead City was vital to our company. We are  
6 pleased that the draft, final report includes numerous  
7 recommendations for this port.

8           This port, regarding infrastructure, needs  
9 Highway 70 traffic congestion relief.

10           We also noted the need for fully incorporating  
11 Radio Island into the working space at the port as a  
12 driver for future business growth. Implementing specific  
13 Radio Island recommendations, such as those found in  
14 section 7.4, 7.512, will be critical to future growth in  
15 the forest products industry.

16           We support these recommendations and look forward  
17 to partnering with you as we work towards making the port  
18 of Morehead City even a stronger asset to North

19 Carolina's economy.

20 Appreciate it. Thank you for your time and the  
21 opportunity to comment.

22 BY GAROLD SMITH:

23 Willy Erickson followed by Mary Ann Olsen.

24 BY WILLY ERICKSON:

25 Thank you. Initially -- I'm Willy Erickson. I

16

1 represent nobody other than myself. I'm here to see what  
2 it was all about.

3 But it was very, very assuring in looking and  
4 hearing all the discussion next door and all the staff  
5 that worked on the study. One of the things that  
6 continued to come up was the prospect of a niche port and  
7 a niche market, refit a certain niche. I hope that  
8 continues and I hope that mindset goes through to the  
9 decision-makers. Too many times I think anybody's  
10 seen -- any number of folks have seen where folks fail by  
11 trying to fit into something that we're not. I don't  
12 think we're going to be the next Hampton Roads or the  
13 next Jacksonville. And that's good because we're not and  
14 we shouldn't. We can't do it. So very good to see and I  
15 hope that mindset, that train continues.

16 In terms of Radio Island, I'm confident that hosts  
17 of people are real excited about working on the

18 Radio Island property: the acreage, the proximity, the  
19 potential that is there. The environmentalist side of me  
20 hopes that we don't create an environmental problem by  
21 pursuing an economic goal. I ask that we be very  
22 circumspect, be very cautious of creating a problem.  
23 Take a long, hard look at how we utilize that property  
24 and make sure we don't mess up something environmental.  
25 That property is in close proximity to the Newport

17

1 marshes, to Core Sound. Those are vital to this section  
2 of the state as well.

3       One thing that I did not see much of in the study,  
4 and I'd like to ask that we take a look at it, if we take  
5 in terms of the marine highway prospect. We do have an  
6 intercoastal waterway that runs through the state that  
7 has not been addressed. The use of the inland waterways,  
8 inland marine highways within the state for transporting  
9 goods, I think it's an under-utilized -- or  
10 under-addressed in the study. We have a lot of natural  
11 talent and capability within the state, and if we can  
12 capitalize on it, maybe we can alleviate some of the  
13 strain -- especially with Morehead City -- some of the  
14 strain on the roadways and the railways that lead to the  
15 port. We can take a closer look at utilizing that. I  
16 think there's some benefit there, of course.

17 BY GAROLD SMITH:

18 Mary Ann Olsen will be followed by our final  
19 speaker for the evening, Sean McNutt.

20 Again, if you would like to speak, if you could,  
21 please sign up on the green sheet.

22 BY MARY ANN OLSEN:

23 First, I'm Mary Ann Olsen. I represent myself as  
24 a citizen who loves this community and loves this state  
25 and wants to see both prosper.

18

1 I want to express my appreciation and my  
2 admiration for those that worked on this North Carolina  
3 Maritime Strategic study. I have read much of the draft.  
4 I can't say I've read the whole thing. It's an awesome  
5 task to even read it, so I can't understand what it was  
6 to put it together. I appreciate the amount of work that  
7 went into this study and into that draft report.

8 I wonder about some of the facts in there. Find a  
9 few of them hard to believe. Like really, would 65,000  
10 people be out of work because of the influence of this  
11 port? Maybe so. I find that a little bit hard to  
12 believe. Nevertheless, I recognize the comprehensiveness  
13 of this effort.

14 Notwithstanding this report, let's get real about  
15 the port at Morehead City. The port authority and others  
16 that worked to establish a great military niche, that not

17 only provides support for the crucial use of nearby U.S.  
18 military bases, but also for the community, offers a  
19 source of pride here. Certainly expansion for the  
20 transportation for North Carolina agricultural products,  
21 it's appropriate in the foreseeable future, and there is  
22 exciting talk around town about the port taking part in  
23 renewal energy initiatives in the area.

24 But while we value our port here and want to see  
25 it better utilized, regardless of how much commerce is

19

1 generated from the widening of the Panama Canal, this  
2 remains a small port. Even if Radio Island is developed,  
3 this is still a small port. Without adequate railway and  
4 highway infrastructure to all offload much of what will  
5 soon be coming through the widening canal, even if the  
6 Morehead City port had deep water and even if it is close  
7 to the ocean, it's still a small port. It is a small  
8 port because for over 150 years of its existence, the  
9 state did not invest in the structures and the supports  
10 needed to make it a Baltimore or a Charleston or a  
11 Jacksonville.

12 And now after this community has invested so much  
13 of its energies and its treasure into making tourism the  
14 economic engine that offers jobs and opportunity, the  
15 state cannot fairly decide because the Panama Canal is  
16 being widened to capture that commerce with a port

17 embedded in a tourism community and a tourism economy.

18           There is no longer an appropriate avenue to make  
19 Morehead City port a major port on the east coast. This  
20 port is not sufficient size for containers or for Ro/Ro.  
21 There is not a container or a Ro/Ro port this size  
22 anywhere, particularly one embedded in a tourist economy.

23           Tourists will not come to explore the Rachel  
24 Carson Reserve or kayak around the island (inaudible)  
25 basin with tankers birthed there. Recreational fishermen

20

1 will go elsewhere rather than fish the walls of the port  
2 if they have to tie up beside chemical piles or  
3 industrial waste, nor will they track the migrating  
4 speckled trout through the haystacks alongside trains and  
5 truckers. They'll go somewhere else.

6           Stores, restaurants, bed and breakfasts, homes,  
7 motels, museums, and galleries stand to lose everything  
8 they've invested in if the Crystal Coast becomes  
9 identified with heavy industry at the port.

10           Beaufort's recent recognition as the coolest,  
11 small town in America would be at risk if the view from  
12 its waterways revealed uncool and unattractive storage  
13 rafters or smokestacks. Any jobs that we gain through  
14 increased industry will be offset by the loss of jobs in  
15 our tourist industry.

16           In addition to water concerns, a recent study  
17   entitled U.S. Container Ports and Air Pollution: A  
18   Perfect Storm is AnEnergy Future study by James S.  
19   Cannon. He outlines the effects of air quality of  
20   container shipping. In part, his study reveals, quote,  
21   "The delivery of goods by containers to ports and from  
22   there to U.S. consumers is powered by diesel fuel each  
23   step of the way. Diesel fuel quality ranges from the  
24   notoriously filthy bunker fuel that powers ships, the  
25   lower quality grades for off-road vehicles, to lower

21

1   sulfur grades recently required for on-road trucks.  
2   Burning diesel fuel releases health-threatening toxic air  
3   contaminates, smog-forming air pollutants, and  
4   climate-changing greenhouse gases." Ports all around the  
5   country are struggling to find solutions to air pollution  
6   and greenhouse gas emissions from international shipping.

7           We don't have that problem here, and we don't want  
8   to ask for it or invite that problem here.

9           It's imperative that we all heed governor-produced  
10   2011 executive order regarding port development. The  
11   same governor who commissioned this exhaustive study,  
12   with wisdom and in response to the citizens who live in  
13   communities that surround the port, cautioned that any  
14   future development at our ports must be consistent with  
15   and sensitive to the economics, the environment, and the

16 lifestyles of those communities.

17 I would hope to see reflected in the final study  
18 some mention of her executive order regarding this and  
19 recommend to you that you consider that.

20 In our collected efforts to improve job  
21 opportunities for North Carolina and our work to expand  
22 the usefulness of the Morehead City port, we must  
23 recognize the realities here and ensure that in future  
24 development, not put at risk our water or our air, the  
25 very attributes of the place that draws people here and

22

1 fuels its only viable economic engine.

2 (APPLAUSE)

3 BY GAROLD SMITH:

4 Sean McNutt.

5 BY SEAN MCNUTT:

6 I'm Sean. I'm here on behalf of my company, IMS,  
7 which is Industrial Marines. We manage the wood chips on  
8 the port. We also work with Cogent Fibre which owns wood  
9 chips. At the moment, we ship our wood chips to Turkey.

10 When it first started in 2006 -- which wasn't only  
11 here, but it was in Savannah, which is our sister  
12 company -- it only started with one ship. Now we're up  
13 to a million and a half tons a year. It only can grow  
14 from there.

15           North Carolina has plentiful woods and trees. The  
16   percentage of hardwood around here is greatly among the  
17   most around any other state. We just started picking  
18   that up. We have under-used wood tree plantations right  
19   now. We need to pick that up. It creates jobs.  
20           We create and direct jobs around this place.  
21   I couldn't remember what it was, but we do create  
22   truckers, loggers, on a declining wood industry.  
23           We are environmentally friendly. We are wood.  
24   And that's -- thank you.  
25   (APPLAUSE)

23

1   BY GAROLD SMITH:  
2           Ray West will be our last speaker this evening.  
3           Again, one more time, if you would like to sign up  
4   to speak . . .  
5   BY RAY WEST:  
6           Thank you. I signed up before Mary Ann spoke. I  
7   probably don't need to speak after hearing her  
8   well-stated remarks.  
9           But again, I wanted to compliment the study. I  
10   think it's very thorough. I was very impressed reading  
11   it, how much the economy of North Carolina depends on  
12   some expansion of ports.  
13           I'm a homeowner in Beaufort. I'm also concerned  
14   about the environmental and economic impacts of what

15 happens at this port, not only because I own property  
16 here, but because this area has what's said the  
17 Crystal Coast. It's one of the most beautiful areas  
18 around. I kayak, I boat, I snorkel. This area is really  
19 exceptional. And so what we do with this area has to  
20 really take into account what we have.

21           And yes, it was in executive order in '99 about  
22 taking care of the local economy and making sure that  
23 whatever we do is compatible with that.

24           When we talk about the expansion and certainly the  
25 infrastructure expansion aids support development and it

24

1 was pointed also will aid the travel and tourism, but I  
2 also want to throw out a couple other points to be  
3 considered there.

4           When you look at expansion of the port and you  
5 talk about two eight-hour shifts, that's very different  
6 than what we have now. When you talk about a fixed-span  
7 bridge, 65-foot fixed-span bridge over Gallants Channel,  
8 that immediately affects ships with a mast taller than  
9 65 feet.

10           When you look at the amount of transportation,  
11 cargo transportation, that's going to and from that port,  
12 grain alone was estimated to work up to 130 to 150  
13 additional daily truck trips, wood products up to 500

14 truck trips a day.

15 I think there's a negative impact that the report  
16 doesn't address on travel and tourism. As a tourist  
17 coming into this area, when you multiply all of the  
18 additional traffic that's going to be generated by the  
19 additional port business, it's going to drive me away as  
20 a tourist unless there's something done to mitigate that  
21 in many ways.

22 So why I see the economic benefits for the state  
23 of North Carolina and the various industries that you  
24 identified in the report, I don't see any described  
25 mitigation that will protect the local economy and the

25

1 local environment. And what I do see is things like the  
2 pollution and the crime and the things that sometimes are  
3 associated. The planning that goes on from when this  
4 report ends beyond, it's going to have to take into  
5 account a whole lot of other factors. And I know the  
6 National Environmental Protection Act and the State  
7 Environmental Protection Act will come into play, but the  
8 citizens of Morehead City and Beaufort and the  
9 surrounding communities really need to get into the  
10 details of this report.

11 Like I said, it's well done, but look at the total  
12 impact among what it's going to have on the local economy  
13 and the local environment because it has to be

14 significant.

15 (APPLAUSE)

16 BY GAROLD SMITH:

17 I'd like to open the floor if there's anyone else  
18 that would like to provide comment tonight.

19 BY CHERYL TOLES:

20 I have a question. In light of the information  
21 that you've shown tonight about the highways being a  
22 significant infrastructure and proven it's going to be  
23 part of this, why is it that CAMA has been given -- it's  
24 making a decision now on the permit to build the bridge  
25 when this -- we're still analyzing the negative -- you

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1 know, the positive and the negative for the port  
2 expansion?

3 Just going to affect the traffic that's going  
4 across that bridge, which is going to back the water  
5 pollution, noise pollution. The northwest wind in the  
6 winter is going to blow all truck traffic noise right  
7 into downtown Beaufort, and there's a lot of things it  
8 seems like are still being investigated, and I don't know  
9 how those people can make a decision when they don't have  
10 all the information yet. It seems like we're jumping the  
11 gun a little bit on this CAMA permit process right now.  
12 Just it seems like it's totally premature.

13 BY RACHEL VANDENBERG:

14 I can't speak to the specifics of that project  
15 because I've not been involved in it, but what we have  
16 done is look to build upon the program of projects that  
17 are already funded or underway within the state. So we  
18 have presumed that those are in place.

19 BY CHERYL TOLES:

20 Presumed that what's in place?

21 BY RACHEL VANDENBERG:

22 That the Gallants Channel bridge among other  
23 already-funded projects would be in place as a baseline  
24 and that the investments that are proposed will be on top  
25 of any already-funded state transportation improvement

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1 program projects.

2 So in that sense, we've considered the work that  
3 has already been underway but not examined in any detail  
4 the specific configurations of projects that are being  
5 carefully studied and evaluated by others.

6 So I know that doesn't exactly answer your  
7 question, but there are definitely many parallel efforts  
8 that are underway and all of these, as part of the larger  
9 transportation planning effort by the state, would need  
10 to be integrated to meet overall goals of the state and  
11 the local community.

12 BY RAY WEST:

13 I just wanted to comment on the CAMA permit and  
14 the opportunity to comment, public comment, for that  
15 permit.

16 The environmental assessment for the Gallants  
17 Channel bridge was completed in '04, and the FONSI, the  
18 Findings of No Significant Impact, was completed in '06.

19 We have until the 15th to comment on this.  
20 Nothing in any of that material addresses port expansion  
21 and the traffic that will go over Gallants Channel  
22 bridge. And I encourage all of you to look very  
23 carefully at the environmental assessment that was done  
24 and the FONSI that was done as part of the CAMA permit  
25 because you have between now and the 15th of this month

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1 to comment on that. It does not address the increase --  
2 expansion of the port-increased traffic and so on.

3 BY GAROLD SMITH:

4 Any other comments?

5 BY NELSON OWENS:

6 Quick question. In the report -- at least I  
7 didn't see it -- you address all the jobs as state jobs.  
8 I didn't really see local jobs addressed. I don't know  
9 if I missed it or if you could comment on that. Is there  
10 a percentage or amount of jobs you're looking at?

11 BY RACHEL VANDENBERG:

12           In the working draft that you saw, we had --  
13   actually, in the materials we had outside, we've cited  
14   the total jobs looking at permanent jobs statewide. We  
15   will be breaking that down between direct jobs, indirect  
16   jobs, and induced jobs. I'm looking at my economist to  
17   make sure I have the terminology correct.

18           So you will have more information that is  
19   currently in the working draft, and that will give you a  
20   sense of the location of the jobs.

21 BY NELSON OWENS:

22           The way I understand it is the port jobs are not  
23   local jobs. It provides benefits to the state but not  
24   necessarily to the local economy. So we'll be trading  
25   tourism dollars for what Ray said, 550 extra trucks a

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1   day, and we won't be getting as much benefit from local  
2   jobs. And then the jobs that are local jobs are not very  
3   good jobs as I understand it.

4 BY DAPHNE LITTIKEN:

5           Thank you. I probably won't be able to talk long.  
6   That's a good thing.

7           I wonder where the funds are going to come from  
8   for this large infrastructure when we don't have the  
9   funds now and are taking funds away from our education  
10   system and other areas. Where will the funds come from  
11   for this big endeavor?

12           As I remember, PCS Phosphate has not paid one  
13 penny of tax to Carteret County. I want people to  
14 remember that. So how are they helping us?

15           I'm just real concerned about this area as a  
16 tourist area, myself, and the environment. I want  
17 everyone to have a good job and benefits and a happy  
18 life, but this is a special area, and you guys are  
19 getting ready to make a difference as to whether it's  
20 going to continue or not. Thank you.

21 BY GAROLD SMITH:

22           Any other comments this evening?

23 BY RAY LUCE:

24           My name is Ray Luce, and I also am a resident of  
25 the Beaufort area.

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1           I would like to reiterate what has just bade, to  
2 the best of my knowledge, and I believe this to be true,  
3 the port does not contribute as far as taxes are  
4 concerned to Beaufort, to Morehead City, or to  
5 Carteret County. So that while the treasury of the state  
6 may be enhanced, our local area that's supplying all the  
7 port -- not all of the port -- but the local support for  
8 police, for medical attention, and so on, those costs are  
9 not being addressed by this proposal.

10           But primarily what I wanted to say was I've had a

11 few occasions to charter boats from Norfolk, Virginia to  
12 North Myrtle Beach, South Carolina, and with no  
13 exception, the water in Bogue Sound is the most beautiful  
14 water in that entire stretch.

15 Ray commented a little earlier that he liked to  
16 snorkel in this area, which would include Bogue Sound in  
17 the Beaufort area. You will not be snorkeling in  
18 Currituck Sound, Pamlico Sound, Albemarle Sound, or any  
19 of the other sounds in North Carolina except for the  
20 possibility of doing it in our own waters here. These  
21 waters are very important to us, and we'd like to be sure  
22 that they're protected.

23 One other minor comment, which is major to me, but  
24 in all of your considerations, we have hashed the  
25 thoughts of the high-rise bridge over Gallants Channel

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1 for months, if not years, now. And a question that I  
2 have, is if you're going to be putting a railroad trestle  
3 at a low-level crossing Gallants Channel -- and I  
4 recognize that the trestle would not be closed all of the  
5 time -- but if you have that low-level crossing of  
6 Gallants Channel, why would you have a high-rise bridge  
7 whether it's 65 feet or has a draw on it?

8 And I wonder if the timing's not appropriate to  
9 consider a stationary bridge to replace the (inaudible)  
10 bridge going from Radio Island to Beaufort. There is a

11 high-rise bridge on the ICW at Morehead, so the boats  
12 that would be going under the bridge at Beaufort,  
13 Gallants Channel do have access to go under the bridge at  
14 Morehead.

15 I'd appreciate it if you'd take that into  
16 consideration when you're deliberating all of the fairs  
17 of our wonderful Carteret County.

18 BY BILL BAILY:

19 My name is Bill Baily. I'm with the  
20 Morehead Pilots and also with Morehead Port Committee. I  
21 was born and raised here, and I kind of take a different  
22 take in what's been expressed here tonight.

23 I think that tourism has grown in this area  
24 because of the port, and I say that because when I was  
25 young, the port was a lot busier than it is now. They

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1 had a lot more ships. We had tobacco trucks, we had  
2 military convoys, we had trains carrying JP4 in and out  
3 of town all the time. Tourism grew. Both banks have  
4 been developed, 100 percent developed. All around this  
5 area has been 100 percent, and the water has stayed  
6 clean, and that's why people come here because that  
7 fruitful project that keeps that Beaufort inland deep.

8 The history of Morehead City and Beaufort are  
9 because of that deepwater inland. I mean, both of them

10 are seaports. That's what it's all about. That's what  
11 brings people here. If you look at your own life, you'll  
12 probably find out that's why you're here. You know, if  
13 you came here or if you stayed here.

14           And I think tourism and port work very well  
15 together. I don't think that -- Mary Ann said this  
16 port's going to be small, and she is right on the money  
17 there. This is not going to be a Hampton Road. This is  
18 not going to be a Charleston or a Jacksonville. But it  
19 can be a better port than it is. It can mean more jobs  
20 locally, it can mean more jobs across the state, and I  
21 think that, you know, this study is a good start looking  
22 in that direction. Thank you.

23 (APPLAUSE)

24 BY GAROLD SMITH:

25           Any additional comments this evening? Going once,

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1 twice. Okay.

2           I want to thank you all for coming out this  
3 evening and providing your comments.

4           If you were not able to or you did not feel that  
5 you wanted to make a spoken comment tonight, we do have  
6 comment sheets that we handed out when you signed in. If  
7 you did not get one of those, let me know. Please feel  
8 free to write a written comment. You can either drop  
9 that with us on your way out or drop it in the mail once

10 you get that completed. You can also access the Web  
11 site, w-w-w dot n-c maritime study dot com. We have a  
12 comment form available there, as well as an e-mail  
13 address and also access to a hotline.

14 And just so you know, those comments and the  
15 spoken comments tonight all have equal weight in the  
16 study.

17 So again, thank you very much. We appreciate you  
18 being here.

19 (WHEREUPON THE MEETING WAS CONCLUDED AT  
20 7:31 p.m.)

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1 STATE OF NORTH CAROLINA  
2 COUNTY OF ONSLOW

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C E R T I F I C A T E

5

6 I, Ivy Murphy, a stenotype court reporter and  
7 notary public in and for Onslow County, North Carolina,  
8 do hereby certify that the foregoing 33 pages are an  
9 accurate transcript of the meeting of the North Carolina

9 Maritime Strategy taken by me in machine shorthand and  
10 transcribed by me personally.

11 This the 23rd day of March, 2012.

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